



Chief Administrative Office Internal Audit Division: Ban the Box and Living Wage Compliance Update

City of New Orleans

March 26, 2019

Discussion Items

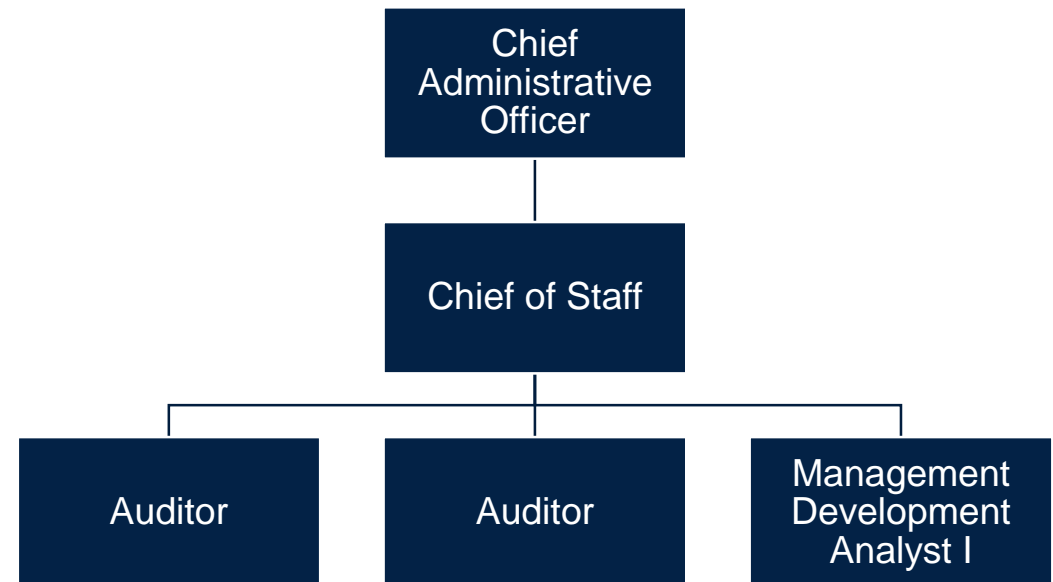
- I. Review of the proposed Internal Audit Division
- II. Update on Ban the Box compliance
- III. Update on Living Wage compliance
- IV. Questions

Internal Audit Division

The Chief Administrative Office will implement and enforce compliance by performing audits to evaluate programs, activities, and functions.

- Purpose is to establish stronger internal controls, improve efficiency of operations, and promote accountability
- Reinstitution of the CAO Internal Audit Division
 - Original Internal Audit Division was dissolved in the 1990s

Proposed Internal Audit Division
Organizational Chart



Internal Audit Division

Goals and Mission Statement

- Internal Audit will be charged with promoting good governance by evaluating the internal controls and efficiency and effectiveness of the City
- Goal: Enforce compliance using highly qualified staff, technology, and the engagement of those most affected by non-compliance
- Mission: Improve delivery of services to its citizens by bringing a systematic, disciplined approach to evaluate compliance with laws, ordinances, policies, and regulations set forth by the Mayor, City Council, State and Federal Governments

Responsibilities

Auditing the performance and financial integrity of City departments, evaluating internal controls over programs and processes, and promoting efficient government through a variety of special projects and initiatives.

Examples:

- Implement a release affidavit within all contracts to be signed by the awarded covered contractor, allowing for the City to examine:
 - Employment applications
 - Payroll records (including remittance advice and leave accrual and usage)
 - Healthcare benefit financials
 - DBE subcontracts
- Investigate compliance and complaints of any violation of Ban the Box, Living Wage, and any other applicable ordinances
- Work with departments to resolve any Certified Financial Audit Report or Single Audit findings (including management comments)
- Conduct compliance audits for mandatory staff trainings (ethics and sexual harassment)

Estimated Implementation Costs

Proposed personal services and other operating costs to staff and run the Internal Audit Division

Personal Services

Classification	Salary	Fringes	Total
(2) Auditor	\$55,102	\$16,530	\$143,264
(1) Management Development Analyst I	\$40,896	\$12,268	\$53,164

Other Operating

Expense	Total
Operating Costs	\$8,000

Total Startup Costs: \$204,428

Ban the Box Compliance

The City has already begun implementing new policies and procedures to comply with the Ban the Box Ordinance.

- As of March 1, 2019, new contracts awarded by the City will be required to include provisions prohibiting city covered contractors from asking potential new hires about any criminal history within the job application
- A provision for this requirement is being included in all procurement types released by the City including:
 - Invitations to Bid
 - Requests for Proposals
 - Requests for Qualifications
- Corresponding provisions are being included in the resulting contractual agreements between the covered contractors and the City

Living Wage Compliance

The City has already begun implementing new policies and procedures to comply with the Living Wage Ordinance.

- As of January 1, 2019 new contracts awarded by the City of New Orleans are required to include provisions for contracts exceeding \$25,000 for singular award or the combined financial assistance exceeding \$100,000 to provide a “living wage” to covered employees.
- Auditable requirements and exemptions required by the ordinance will be the responsibility of the Internal Audit staff, including:
 - The city’s current living wage rate is \$11.05 per hour is applicable for all hours worked by covered employees with an inflation index increase, when applicable
 - Employers must provide for at least seven (7) days per year of compensated leave

QUESTIONS?